

March 1, 2004

WASHINGTON STATE LABOR COUNCIL
ATTN: DIANE MCDANIEL
314 FIRST AVENUE WEST
SEATTLE WA 98119

Subject: Complaint filed against National Federation of Independent Business -
PDC Case No. 04-307

Dear Ms. McDaniel:

The Public Disclosure Commission staff has completed its investigation of your complaint received October 28, 2003, alleging that the National Federation of Independent Business (NFIB) violated RCW 42.17 by making in-kind contributions to a statewide initiative committee that were not reported.

Your complaint was reviewed in light of the following statute:

RCW 42.17.170 requires lobbyists registered with the PDC to file frequent and detailed reports of lobbying activities, including monetary and in-kind contributions made to candidates, political party organizations, and political committees, including statewide initiative committees.

You alleged that the NFIB violated RCW 42.17 by making in-kind contributions to the Workers Against Job Killing Rules (WAJKR), a political committee supporting Initiative 841, without reporting those contributions.

We found that:

- Carolyn Logue, the Northwest Regional and Washington State Director of NFIB, who is also a regional lobbyist for NFIB, filed a Monthly Lobbyist Expense Report (PDC Form L-2) on November 17, 2003, disclosing two in-kind contributions from NFIB to WAJKR totaling \$470. The in-kind contributions included a \$206 in-kind contribution for NFIB staff time and mileage for a speech in Kent on September 19, 2003, and a \$264 in-kind contribution for NFIB staff time and mileage for a press interview on October 29, 2003, both related to I-841. The L-2 report also disclosed a \$50 personal contribution made by Ms. Logue to the WAJKR committee.

- Ms. Logue estimated that she spent 1.5 hours during the month of October answering calls from reporters and returning calls to reporters concerning NFIB's position in support of I-841. Ms. Logue said that at the time of the calls she did not believe she was working on behalf of the I-841 campaign, but rather on behalf of NFIB members. The value of Ms. Logue's estimated time on these calls was \$83. According to WAC 390-16-207(6), in-kind contributions from one source that are received by a political committee are not reportable by the recipient until the aggregate value of those in-kind contributions exceed \$50 during a reporting period. The calls occurred over the course of three reporting periods during October. Although Ms. Logue is unable to determine the amount of time spent on calls during each reporting period, it is unlikely that an in-kind contribution of more than \$50 occurred during any one period. While we appreciate the responsibility of the lobbyist to report all contributions made on his or her monthly lobbyist expense report, because it is unlikely that the benefiting committee received reportable in-kind contributions from the NFIB, no enforcement action is warranted for Ms. Logue's failure to report the estimated \$83 in in-kind contributions.

Carolyn Logue and the NFIB reported two in-kind contributions totaling \$470 to WAJKR on Ms. Logue's October L-2 report. The majority of Ms. Logue's time in support of I-841 was spent on internal political communication with members of the NFIB. Ms. Logue is now aware that the time spent on press contacts and editorial board appearances in support of a ballot proposition is reportable.

After a careful review of the alleged violations and relevant facts, we have concluded our investigation and, with the concurrence of the Chair of the Public Disclosure Commission, I am dismissing your complaint against Carolyn Logue and the National Federation of Independent Business.

If you have questions, please contact Phil Stutzman, Director of Compliance, at (360) 664-8853 or toll free at 1-877-601-2828.

Sincerely,

Vicki Rippie
Executive Director

c: Carolyn Logue, NFIB